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## When Fair Doesn't Mean Equal Tips for Business and Land Owners

**M**ost parents do their best to treat their children fairly and equally. That may be easy when it comes to bedtime or when it's okay to start dating. Those decisions can be a lot tougher when it comes to dividing assets—especially a business or family farm. If you are “land rich but cash poor,” the key is to ensure you divide assets fairly, even if that means assets won't be divided equally.

Here's an example. Say you have a farm worth \$1.5 million and other assets worth another \$500,000. You have four children and you want to pass on your estate equally. You could divide the farm into four equal parts, but, it may not be easy to divide practically. Some of your children may not want to work the land. You could divide the farm in thirds, leaving one-third each to three children and the remainder of your assets to the other child. But, it still may not be easy to divide the farm and changes in value over time could affect how equal the asset distribution really is.

Keep in mind the same considerations also apply to a business: Your children may have different levels of interest and skills and it may be difficult to divide the ownership—and responsibilities—of the business fairly. So what can you do?

One potential solution is to add liquidity to the estate. If the life of the land or business owner is insured to an appropriate extent, the value of the estate increases, making a fair distribution possible. For example, a \$4 million policy increases the value of the estate to \$6 million, allowing each child to receive \$1.5 million in assets without requiring the land to be divided or sold.

Another useful planning tool is a buy-sell agreement. If you choose to leave a business to multiple children, a buy-sell agreement can specify who controls ownership of the business, limits the rights of shareholders to transfer stock in the business to outsiders, define under what circumstances those rights can be activated, and how those transfers can take place. An effective buy-sell agreement can provide tax advantages while passing on your legacy in a structured way that helps avoid disputes among your heirs.

Every family's financial and personal situations are unique. Our office can help you develop estate planning strategies specifically tailored for business and land owners, ensuring your assets are divided fairly—and according to your wishes. ■

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## Volunteering Can Be an Inexpensive Vacation And Incredibly Rewarding—For Yourself and Others

**W**e can all use a vacation, but if taking a trip stretches your budget, consider taking a volunteer vacation. Economic downturns greatly affect charitable organizations; if you can't provide monetary support, a volunteer vacation is a great way to get away, support a worthy program, give back to the community—and enjoy once in a lifetime experiences.

Compared to a traditional vacation, the cost is low. Programs are available around the world and many organizations provide housing, food, and basic living expenses. To get started, think about what is important to you and your family. If local organizations—like a wilderness foundation, hiking trail, or organic farm—need help, you'll save on travel costs, too. Talk to your church, local civic organizations or your local United Way about volunteering options. If you can afford to drive or fly to another location, many organizations will pay for food and lodging once you arrive.

You can even go abroad: Build a house in Mexico, help with an archaeological dig in Peru, or help conserve turtle nesting areas in Greece. To learn about volunteer programs abroad, check out organizations like Global Vision International ([www.gviusa.com](http://www.gviusa.com)).

But you don't have to travel far to make a real difference. Consider helping at a homeless shelter or an animal shelter. Or support civic organizations by ushering or guiding at museums, historical sites... even at theaters or concert venues.

For more possibilities, contact organizations like Earthwatch Institute (scientific expeditions), Wilderness Volunteers (national parks), Elderhostel Services Programs (working vacations for seniors), and Habitat for Humanity (housing).

No matter what you choose to do, you'll also benefit from feeling useful, needed, appreciated, and productive. If you think about it that way, what's not to love about a volunteer vacation?

If giving back to the community, local or global, is important to you and a value you would like to pass on to family members, talk to us about how to include that as part of your legacy plan. ■



## Help Others by Sharing Positives

**I**f you are considering a new purchase, what makes a greater impact, an advertisement or a recommendation from a trusted friend? If a friend's input is more important to you, you're not alone. According to a 2008 Gallup poll, only 10% of advertisers were considered trustworthy by consumers. On the flip side, a 2008 BIGresearch survey found the majority of respondents felt comments from friends affected their restaurant choices.

Clearly, we value input from people we trust. But, do you share the good as well as the bad? It's easy to tell people about poor experiences, but, you can also help others by making a conscious effort to refer people to businesses you love. Your friends can make better choices—and save time—if you make recommendations based on great experiences.

We know the power of people who share their positive experiences: Our firm helps countless families in our community because satisfied clients refer the people they care about to us. If you have friends and family who would like to learn more, call us and we'll be happy to invite them to an upcoming seminar on your behalf. ■

## Making the “Worst” a Little Better

### Simple Homework Makes All the Difference

What if the “worst”—you become seriously ill, incapacitated, or even pass away—does occur? What will happen to your cat? Where is your spare house key? Who will call your kids? Simple questions, sure, but with potentially significant repercussions. Here is a quick planning list to ensure those questions aren’t left unanswered:

- ▶ **Determine child custody or guardianship.** If your children are minors and the other parent survives, he or she typically retains custody. However, be sure to nominate a guardian in case something happens to both parents, or in case the other parent doesn’t currently have custody. Take a further step: Document your children’s health care and day care providers, allergies, and other important medical information.
- ▶ **Financial details.** Create a document listing bank accounts, investment accounts, pensions, insurance policies, homeowners and auto insurance policies, and any bills you pay online (along with a list of **current** PINs and passwords). Keep this in a secure location.
- ▶ **Medical information.** List your own personal health insurance policies, medical history including ongoing conditions (and even allergies), medications, and physician contact information.
- ▶ **Leave someone in charge.** Create a Financial Durable Power of Attorney so a trusted friend or relative can act on your behalf if you become incapacitated.
- ▶ **Plan for medical situations.** Create a Health Care Directive to allow an agent you select to make medical decisions on your behalf, along with a HIPAA instrument so they can receive what would otherwise be confidential information about your medical condition and prognosis.
- ▶ **Stay current.** Revise your estate plan to ensure any financial or life changes are taken into account.
- ▶ **Pets.** Don’t forget Fido and Fifi: Does your neighbor know you have a housecat or where you keep your dog food? Decide who should have access and instructions to care for pets temporarily until your preferred permanent arrangements can be made.
- ▶ **Don’t forget the little things.** List email accounts, PayPal accounts, eBay accounts, frequent flier accounts, etc.



Keep the documents in a safe place and make sure a member of your family or other trusted person knows where to find them. Preparation will help keep the “worst” from becoming an even bigger disaster for the people you love. ■

## What’s in a Legacy?

His father hoped he would become a preacher, but too many years of study were required. Instead, his drawing of a snake cut into sections is arguably the first American editorial cartoon. To increase his wealth he foreshadowed modern business techniques by franchising his operation to locations in other cities. And, when people gathered outside his home to see if they could catch a glimpse of him, he wired his wrought-iron fence.

You probably know him for other reasons. He invented the lightning rod, bifocals, and stoves, established the first lending library in America, founded the University of Pennsylvania, and secured the French alliance that helped lead to American independence.

He is considered “the most influential American of his age and the most influential in inventing the type of society America would become,” promoting the values of tolerance, thrift, hard work, education, and community spirit and activism.

Ben Franklin left an incredible legacy in terms of professional and financial accomplishments, as well as influencing his generation and generations to come. What will your legacy be? How many people can you influence and inspire by your example and actions? ■



## Find the Best Digital Deals

**M**ost of us check out sales ads and clip newspaper coupons. But, technology has made it easier than ever to learn about and enjoy great deals on just about any item. Here are ways technology can become your wallet's best friend:

- ▶ **Online coupon websites.** Search the internet using terms like “online coupons” or “coupon websites.” For example, one coupon website, RetailMeNot.com, has approximately 90,000 coupons available, as well as thousands of coupon codes you can enter to get discounts from online retailers.
- ▶ **Online price comparisons.** Websites like PriceGrabber.com, NexTag.com, and BizRate.com compare prices for thousands of items. Plus you can read user reviews to determine which products are right for you.
- ▶ **iPhone applications.** Not near a computer? No problem! iPhone applications like Frugalalytics let you comparison shop no matter where you are. Yowza! finds deals and coupons for stores near your current location. And keep in mind, price comparison tools aren't just restricted to the iPhone. Some phones even allow you to scan product bar codes to make sure you compare apples to apples.
- ▶ **Price alerts.** Sites like PriceAmbush.com send email alerts when prices for products you enter drop to a price level you select.
- ▶ **Rebates.** If you purchase products through sites like Ebates.com, over 1,000 retailers rebate an average of 2 to 6% of the purchase price.
- ▶ **Tweets.** Twitter can help you find great deals: Follow the major deal hunters, like @CheapCheapCheap or @BearableDeals. Follow companies like Dell, Books a Million, and Zappos who offer Twitter-only deals. Or follow the feeds of your local stores and restaurants.

And if all else fails, ask for help. Bargain sites like FatWallet.com and SlickDeals.net include forums where you can ask for coupon codes or get advice for getting the best deal on a specific product. Using technology tools Sherlock Holmes never dreamed of will help you track down great deals. ■

## What to Keep in Emergency Savings

**E**mergency funds are like a safety net protecting you from hardship. If you lose your job or have unexpected medical or other urgent expenses, your savings could see you through. But knowing how much to keep on hand can be tricky and can vary depending on whether you are retired or still working.

Expert recommendations vary from one month of living expenses to twelve months of income. The more you have on hand, the better. But, “more” can come at a cost since highly liquid assets tend to earn lower returns. A safe recommendation is three to nine months of living expenses—that way you'll have a comfortable safety net and can keep additional funds in higher-performing investments.

To calculate living expenses, add up fixed costs like housing, utilities, car payments, food, and insurance. Also think about other loans, property taxes, and credit card bills. These costs may not be fixed, but the consequences can be harsh if you can't pay your minimum payment (if you carry a balance). Then decide the portion of your variable expenses, like clothing and entertainment, you could do without. The total is your monthly living expenses. Decide how many months of savings make you comfortable: If your job is secure, three months may be sufficient. If you are on a fixed-income and concerned about medical or other expenses, nine months may yield peace of mind.



Call our office for answers to your questions—we'll help you ensure your emergency plan fits within your long-term estate plan. ■

## Winning Recipe

### Walnut-Topped Pumpkin Bread

- ▶ 1 2/3 cups all-purpose flour
- ▶ 1/2 teaspoon ground allspice
- ▶ 1/2 tablespoon baking powder
- ▶ 1 cup sugar
- ▶ 1 teaspoon baking soda
- ▶ 1/4 cup egg substitute
- ▶ 1/2 teaspoon salt
- ▶ 1/4 cup canola oil
- ▶ 1/2 teaspoon ground cinnamon
- ▶ 1/4 cup low-fat buttermilk
- ▶ 1/2 teaspoon ground nutmeg
- ▶ 1 large egg
- ▶ 1/3 cup water
- ▶ 1/2 (15-oz.) can pumpkin
- ▶ 1/4 cup chopped walnuts
- ▶ Cooking spray

1. Preheat oven to 350°F
2. Combine flour, baking powder, baking soda, salt, cinnamon, nutmeg and allspice in a bowl
3. Place sugar, egg substitute, oil, buttermilk, and egg in a large bowl
4. Beat with a mixer at high speed until well blended
5. Add water and pumpkin, beating at low speed until blended
6. Add flour mixture to pumpkin mixture, beating at low speed just until combined
7. Spoon batter into 9x5-inch loaf pan coated with cooking spray
8. Sprinkle walnuts evenly over batter
9. Bake at 350°F for 1 hour
10. Cool 10 minutes in pan on a wire rack, remove from pan, cool completely on wire rack

Makes 1 loaf; 12 servings (serving size: 1 slice)

#### Nutrition Information Per Serving:

Calories: ..... 198  
Fat: .....6.6g  
Protein: .....3.4g  
Carbohydrate: ..... 32.3g  
Fiber: .....1.2g

Have a great recipe to share with everyone? Have it featured in our next newsletter by emailing it to [frontdesk@aaepa.com](mailto:frontdesk@aaepa.com). ■

## When Sleeping Leaves You Tired

**H**ow much sleep do you get? According to the National Sleep Foundation, 20% of Americans get less than six hours of sleep per night, well below their recommended seven to nine hours. And even if you get more than seven hours of sleep, it might not be enough to let you wake up refreshed. If you have trouble waking up and feel sleepy throughout the day, you probably aren't getting enough restorative sleep.

Sleep falls into two broad categories. Rapid Eye Movement (REM) sleep is the phase when you dream: It is critical for preserving memories, learning, creativity, and emotional balance. Deep, slow-wave sleep is when your body releases human growth hormone to facilitate physical development and repair. Both sleep phases decline with age and are also affected negatively by caffeine, alcohol, and stress.

What if you don't get enough restorative sleep? You could face the risk of cardiovascular disease, depression, diabetes, and obesity, as well as impairing cognitive function, memory, and the immune system. Short of seeing a doctor or using a home device like the Zeo Personal Sleep coach to monitor your sleep patterns, here are ways to increase your quality of sleep:

- ▶ Reduce caffeine and alcohol intake in the evening.
- ▶ Make sure your bedroom is dark and quiet (even pet-free).
- ▶ Stick to a regular schedule.
- ▶ Avoid working, internet, texting, or calls near bedtime.
- ▶ Avoid naps to reduce sleeplessness or early wakeups.

If you're sleeping the recommended number of hours per night and have followed the recommendations for increasing your restorative sleep, but are still tired, it may be a sign of a sleeping disorder, such as sleep apnea. Be sure to schedule an appointment with your doctor.

Where sleep is concerned, quantity and quality are equally important. Improve your health and the quality of your waking hours by taking steps to increase restorative sleep. ■

# Estate Planning Needs Quiz

Your current estate plan, which includes location and notification lists, together with services offered by DocuBank and NGL for final expenses, addresses many of the concerns listed on page 3. Call us to review these concerns at any time.

In the meantime, if you have family and friends who would benefit from examining their estate planning needs, please pass on the quiz below so they can get answers to questions they may have.

I have questions about the following topics I could ask in a free consultation:

- Avoiding the expense, publicity and delays of probate and conservatorship.
- Should I convert my IRA to a Roth.

- Protecting my children's inheritance in case of their own divorce, lawsuits, financial inexperience, or my spouse's remarriage.
- My heirs losing a large percentage of my estate to Federal estate taxes.
- Ensuring that my Long Term Care needs are met and requests for medical treatment are being followed should I become seriously injured or ill.
- What should I do about my existing insurance and annuity policies.
- Other concerns: \_\_\_\_\_

Invite them to contact our office to register for a free upcoming seminar or to schedule a free private no-obligation consultation. ■

## Compliments of

### Armstrong, Fisch & Tutoli

The attorneys at Armstrong, Fisch & Tutoli have been providing quality estate planning for San Diego clients since 1976. They have reached thousands of people concerned about protecting their families from the devastating legal effects of disability and death. With the aid of public seminars, numerous articles, interviews and television appearances, the Law Firm of Armstrong, Fisch & Tutoli has championed the use of revocable living trusts as a proven way to protect families from the expense and delay of probate, conservatorships and the cost of paying avoidable estate taxes.

Attorney Michele A. Tutoli has been assisting individuals with their legal and financial management needs for over thirty years. She has been certified by the State Bar of California, Board of Legal Specialization, as a specialist in estate planning, trust and probate law. In addition, she is a Registered Financial Consultant and Certified Financial Planning Professional®.

In addition, our team consists of qualified individuals, many of whom have been with our firm for over 10 years. Attorney Stephanie A. Lord focuses on working with families and ensuring a smooth transition of assets from one generation to the next. Steve W. Pollock, a Certified Financial Planning Professional®, also helps our clients with financial and tax planning services through our sister company AF&T Financial Group.

For more information, please visit our web site at [www.armstrongfisch.com](http://www.armstrongfisch.com). To schedule an appointment, please contact the Law Firm of Armstrong, Fisch & Tutoli at 858-453-0626. ■

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